

# SENATE BILL REPORT

## SHB 2215

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As Reported By Senate Committee On:  
Highways & Transportation, April 10, 2003

**Title:** An act relating to vehicle dealer documentary service fees.

**Brief Description:** Allowing car dealers to charge documentary service fees.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Murray and Simpson).

**Brief History:**

**Committee Activity:** Highways & Transportation: 4/10/03 [DPA].

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### SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

**Majority Report:** Do pass as amended.

Signed by Senators Horn, Chair; Benton, Vice Chair; Swecker, Vice Chair; Esser, Finkbeiner, Jacobsen, Kastama, Mulliken, Oke and Prentice.

**Staff:** Dean Carlson (786-7305)

**Background:** Under current law, licensed vehicle dealers are required to collect a variety of government taxes and fees. Most vehicle dealers also license and title the vehicles they sell. Current law prohibits vehicle dealers from charging any kind of administrative or document preparation fee for performing tax collection, licensing and titling activities.

**Summary of Amended Bill:** Vehicle dealers are authorized to charge a documentary service fee of up to \$35 per vehicle sale or lease. In order to charge the documentary service fee, vehicle dealers must observe the following conditions:

- The service fee must be disclosed in writing before the execution of a purchase and sale or lease agreement;
- The service fee is not represented to the buyer as a fee or charge required by the state to be paid by either the dealer or the buyer;
- The service fee must be separately designated from the selling price of the vehicle and from any other taxes, fees or charges; and
- Dealers must disclose in any advertisement that a documentary service fee of up to \$35 may be added to the sale price of a vehicle.

**Amended Bill Compared to Substitute Bill:** This act takes effect only when SB 6061 or HB 2231 takes effect. If neither of the bills take effect by December 31, 2003, the act is null and void.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The act takes effect only when SB 6061 or HB 2231 takes effect. If neither of these bills takes effect by December 31, 2003, the act is null and void.

**Testimony For:** This is not mandatory. We are the only state without a document service fee.

**Testimony Against:** None.

**Testified:** Jim Boldt, Washington Auto Dealers Association (pro).